

**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

770 L STREET, SUITE 1000  
SACRAMENTO, CA 95814  
(916) 324-2726  
(916) 324-5597 FAX  
<http://www.cmac.ca.gov>

**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113

Sacramento, CA

**Minutes of Meeting**

February 10, 2005

**COMMISSIONERS PRESENT**

Nancy E. McFadden, Chair  
Thomas Calderon  
Diane M. Griffiths  
Teresa P. Hughes  
Vicki Marti  
Michael R. Yamaki

**CMAC STAFF PRESENT**

J. Keith Berger, Executive Director  
Enid Barnes  
Theresa Bueno  
Paul Cerles  
Denise DeTrano  
Holland Golec  
Shivani Nath  
Steve Soto  
Michael Tagupa  
Mervin Tamai  
Karen Thalhammer

**COMMISSIONER ABSENT**

Lynn Schenk

**EX-OFFICIO MEMBERS PRESENT**

Bob Sands, Department of Finance  
Stan Rosenstein, Department of Health Services

**I. Call to Order**

The February 10, 2005 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Chair Nancy E. McFadden. A quorum was present.

**II. Approval of Minutes**

The January 27, 2005 meeting minutes were approved as amended.

### **III. Executive Director's Report**

Mr. Berger reported that there were no new requests from hospitals or health plans to appear before the Commission in closed session at this time.

Mr. Berger informed the Commissioners that there are 15 contracts and amendments for both hospital contracting and managed care for action during today's closed session.

Mr. Berger indicated that CMAC staff is working on a timeline for both the Medical Education and SB 1255 Round 17B supplemental payment programs. Currently the plan is to have the amendments for the Medical Education program before the Commission for action at the April 14 meeting, and the SB 1255 Round 17B amendments at the April 28 meeting.

Mr. Berger noted that CMAC staff has provided the Commissioners with a draft of proposed meeting dates for the next fiscal year, 2005/2006, for review. A final draft will be available for approval at the February 24 Commission meeting. If there are any questions or concerns, he asked that they please contact Theresa Bueno.

Mr. Berger informed the Commissioners that CMAC staff has tentatively scheduled the appearance of representatives from the Office of Statewide Health Planning and Development (OSHDP) for March 10 to give the Commissioners an update on the Seismic Retrofit Program (SB 1953).

Mr. Berger noted that Stan Rosenstein, DHS, Deputy Director, Medical Care Services, is present and prepared to give the Commission an update on the Medi-Cal Hospital Financing Redesign Section 1115 waiver.

Mr. Rosenstein gave the Commission a brief summation of the revised California Section 1115 waiver proposal and responded to questions from a number of Commissioners. A few of the items mentioned were 1) that it is a five-year waiver beginning July 1, 2005, 2) the Selective Provider Contracting Program (SPCP) would continue through the life of the 1115 waiver, 3) that Medicaid-eligible payments will be changed to a cost-reimbursement basis for the 21 largest public hospitals in California using certified public expenditures and 4) to create a safety net pool that can be used to maintain funding for indigent care as Medi-Cal beneficiaries are transitioned to Managed Care. Mr. Rosenstein provided a handout for the public itemizing the changes. A copy of the handout is available upon request.

Sherreta Lane, Vice President, Reimbursement and Economic Analysis for California Hospital Association (CHA), expressed her appreciation to the State for their efforts on the new Medi-Cal Redesign proposal. She indicated that CHA has some concerns about the new proposal, such as the use of cost reports, unforeseen issues that may occur within the next five-years, hospital closures, and the cost shifting that

could occur from the closures, and the general impact of the proposal on the hospital programs.

In response to Commissioner Calderon's request, Ms. Lane indicated that CHA will put together a list of concerns and issues and submit them to CMAC.

Mr. Berger indicated that the proposal has been a two-step process. First, Mr. Rosenstein, Secretary Belshé, and DHS Director Ms. Shewry have been working with the Federal government to obtain a commitment on a increase level of funding. Second, California will need to decide what to do with the funding and how to do it.

Mr. Rosenstein indicated that while there are some issues that could be changed, the new proposal allows the State to keep the money it has and allows beneficiaries to move to managed care.

#### **IV. Medi-Cal Managed Care Activities**

Mr. Berger remarked that there was nothing new to report at this time; however, CMAC staff has prepared several amendments for action during today's closed session.

#### **V. New Business/Public Comments/Adjournment**

There being no further new business and no additional comments from the public, Chair Nancy McFadden recessed the open session. Chair McFadden opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Chair McFadden announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.